

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF AUXIER) CASE NO. 9318-B
ROAD GAS COMPANY, INC.)

O R D E R

On December 20, 1985, the Commission issued its Order in Case No. 9318 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On September 10, 1986, Auxier Road Gas Company, Inc., ("Auxier") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Columbia Gas of Kentucky, Inc., ("Columbia") effective September 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Auxier's notice of September 10, 1986, set out certain revisions in rates which Auxier proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$1,476 or 2.5 cents per Mcf.

(2) Auxier's wholesale cost of gas was decreased by Columbia effective September 1, 1986.

(3) Auxier's proposed rates were calculated by subtracting the amount of the decrease from rates approved in Case No. 8768-P rather than from the rates approved in the Commission's Order of December 20, 1985, in Case No. 9318. The rates proposed should have been based on rates most recently approved by the Commission.

(4) Auxier should report to the Commission any excess revenues collected during the period from September 1, 1986, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

(5) Auxier's proposed adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its order in Case No. 9318 dated December 20, 1985, is not fair, just and reasonable nor in the public interest and should not be placed into effect.

IT IS THEREFORE ORDERED that:

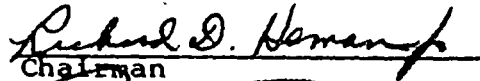
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1986, in place of the rates proposed by Auxier.

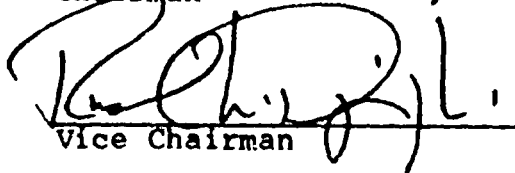
(2) Within 30 days of the date of this Order Auxier shall report to the Commission any excess revenues collected during the period from September 1, 1986, to the date the proposed rates are implemented, along with a plan to refund any excess collections.

(3) Within 30 days of the date of this Order Auxier shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 22nd day of September, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9318-B DATED 9/22/86

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First	1,000 Cu.Ft.	\$8.378 Minimum Bill
All Over	1,000 Cu.Ft.	7.585 per 1,000 Cu.Ft.

The base rate for the future application of the purchased gas adjustment clause of Auxier Road Gas Company, Inc., shall be:

	<u>Commodity</u>
Columbia Gas of Kentucky, Inc.	\$4.379 per Mcf